

Personal Disability Income Protector

SHORT-TERM DISABILITY INSURANCE POLICY

Plan Highlights

- Selection of:
 - monthly benefit amount
 - elimination period
 - benefit period
- Benefits paid regardless of any other insurance
- Guaranteed-renewable to age 70



Without it, no insurance is complete.



Personal Disability Income Protector

Policy Series A-57400

WHY INCOME PROTECTION?

If you are suddenly unable to work because of a disability, how will you continue to meet your financial obligations without a paycheck?

Counting on Social Security to provide disability benefits? Social Security's definition of *disability* requires that the impairment must be expected to result in death or to last at least 12 months, or must have lasted at least 12 months. Also, Social Security disability benefits usually have a five-month waiting period.

Covered by workers' compensation? Workers' compensation provides benefits only for occupational-related injuries or illnesses. About three-fifths of the disabling injuries suffered by American workers in 2000 occurred off the job.*

Think your savings will get you through a disability? Experts recommend a minimum savings of three months' salary to prepare for a sudden loss of income. However, most people simply aren't saving enough money to last more than a few weeks without a regular income. For some, the financial impact of even one missed paycheck can be devastating.

Will you have to turn to family or friends to help support you? Chances are, if you are not saving enough, your loved ones are not, either.

* National Safety Council, *Report on Injuries in America*, 2001

CHOOSE THE COVERAGE YOU NEED

AFLAC's Personal Disability Income Protector allows you to choose a level of coverage that best meets your individual financial needs.

- ◆ **Monthly Benefits:** From \$500 to \$5,000, subject to income requirements and benefit period restrictions
- ◆ **Benefit Periods:** 3, 6, 12, or 24 months
- ◆ **Elimination Periods (Accident/Sickness):** 0/7, 0/14, 7/14, 0/30, 30/30, 60/60, 90/90, 180/180

BENEFITS

If you are working at a full-time job while coverage is in force and a covered sickness or covered off-the-job injury causes you to become totally disabled, we will pay you one-thirtieth of the benefit shown in the Policy Schedule for each day you remain totally disabled. A *full-time job* is defined as a job at which you work 30 or more hours per week for pay or benefits.

If you are not working at a full-time job while coverage is in force and you are unable to perform two or more ADLs (activities of daily living) resulting from a covered sickness or covered off-the-job injury, as certified by a physician, and you require direct personal assistance to perform such ADLs, we will pay you one-thirtieth of the benefit shown in the Policy Schedule for each day you cannot perform such ADLs.

The disability benefit is payable up to the benefit period selected and subject to the elimination period shown in the Policy Schedule. Disability must begin within 90 days of your last treatment for the covered sickness or covered off-the-job injury.

Disability due to pregnancy and childbirth is payable to the same extent as a covered sickness. After this policy has been in force ten months, the maximum benefit period allowed for childbirth is six weeks for noncesarean delivery and eight weeks for cesarean delivery, less the elimination period, unless you furnish proof that you remain disabled beyond these time frames.

PROVISIONS OF COVERAGE

Benefits will be paid for only one disability at a time even if the disability is caused by more than one sickness, more than one injury, or a sickness and an injury.

AFLAC reserves the right to meet with you during the pendency of a claim or to use an independent consultant and a physician's statement to determine whether you are totally disabled, or whether you are unable to perform two or more ADLs and require direct personal assistance.

You must be under the care and attendance of a physician for benefits to be payable. Benefits will cease on the date of your death.

If you have any other disability benefit in force with AFLAC, only one disability benefit is payable under this policy.

Totally disabled is defined as your continuing inability to perform the material and substantial duties of your full-time job. You must also be under the care and attendance of a physician for your condition. If you are unable to perform the material and substantial duties of your full-time job but are able to work at any job, you will continue to be considered totally disabled as long as your earnings are less than 80% of your base pay earnings at the time you became totally disabled. If you return to work at any job and are earning 80% or more of your predisability base pay earnings, you will no longer be considered totally disabled.

Base pay earnings is your gross salary or wages for your full-time job, not including variable pay such as overtime (unless contractual), bonuses, or other incentives. If you are self-employed, *base pay earnings* means your business's gross income minus the allowable business deductions from that business. (For tax purposes, *base pay earnings* is referred to as *net earnings*.)

Successive periods of disability resulting from the same or a related condition, and not separated by 180 days or more, are considered a continuation of the prior disability. Separate periods of disability resulting from unrelated causes are considered a continuation of the prior disability unless they are separated by your returning to work at a full-time job for 14 working days, during which you are performing the material and substantial duties of this job and are no longer qualified to receive disability benefits.

ACTIVITIES OF DAILY LIVING

- ◆ *Continence: maintaining control of urination and bowel movements, including your ability to use ostomy supplies or other devices such as catheters*
- ◆ *Transferring: moving between a bed and a chair, or a bed and a wheelchair*
- ◆ *Dressing: putting on and taking off all necessary items of clothing, and/or medically necessary braces and artificial limbs usually worn*
- ◆ *Toileting: getting to and from a toilet, getting on and off a toilet, and performing associated personal hygiene*
- ◆ *Eating: performing all major tasks of getting food into the body*

GUARANTEED-RENEWABLE TO AGE 70

You are guaranteed the right to renew this policy until the policy anniversary date following your 70th birthday by the payment of premiums at the rate in effect at the beginning of each term. You can never be singled out for a rate increase. Rates can be changed only if the rate is changed for all policies of this class. While this policy is in force, no change will be made in your class because of age, sex, or physical condition.

FULLY PORTABLE

When you own AFLAC's Personal Disability Income Protector, you may choose to keep your policy regardless of job changes by continuing to pay premiums.

The payroll rate may be retained after one month's premium payment on payroll deduction.

EFFECTIVE DATE

The effective date of this policy is the date shown in the Policy Schedule, not the date the application is signed.

PRE-EXISTING CONDITIONS

Disability caused by a pre-existing condition or reinjuries to a pre-existing condition will not be covered unless it begins more than 12 months after the effective date of coverage. A *pre-existing condition* is a sickness or an injury for which, within the 12-month period before the effective date of coverage, medical advice, consultation, or treatment was recommended or received, or symptoms existed that would ordinarily cause a prudent person to seek diagnosis, care, or treatment.

A *sickness* is a disease, disorder, infection, or any other abnormal physical condition that is not caused by an injury that is first manifested or treated more than 30 days after your effective date of coverage and while coverage is in force. *Sickness* includes diseases or conditions resulting from insect bites or infestations by micro-organisms. If the disease or disorder is first manifested or treated within the first 30 days after your effective date of coverage, any resulting disability will not be covered unless it begins more than 12 months after the effective date of coverage.

WHAT IS NOT COVERED

We will not pay benefits for a disability that is being treated outside the territorial limits of the United States or, if outside the United States, the territorial limits of the place where your policy was issued.

We will not pay benefits for a disability that is caused by or occurs as a result of your:

- ◆ *Giving birth within the first ten months of the effective date of this policy as a result of a normal pregnancy, including cesarean (complications of pregnancy will be covered to the same extent as a sickness).*
- ◆ *Being addicted to alcohol or drugs, unless administered by a physician and taken according to the physician's instructions.*
- ◆ *Participating in any activity or event, including the operation of a vehicle, while under the influence of a controlled substance (unless administered by a physician and taken according to the physician's instructions) or while intoxicated (intoxicated means that condition as defined by the law of the jurisdiction in which the accident occurred).*
- ◆ *Mountaineering using ropes and/or other equipment; parachuting; or hang gliding.*
- ◆ *Participating in, or attempting to participate in, an illegal activity that is defined as a felony, whether charged or not (felony is as defined by the law of the jurisdiction in which the activity takes place).*
- ◆ *Intentionally self-inflicting a bodily injury or attempting suicide, while sane or insane.*
- ◆ *Having cosmetic surgery or other elective procedures that are not medically necessary, or having dental treatment except as a result of injury.*
- ◆ *Being exposed to war or any act of war, declared or undeclared.*
- ◆ *Actively serving in any of the armed forces, or units auxiliary thereto, including the National Guard or Army Reserve.*
- ◆ *Participating in any form of flight aviation other than as a fare-paying passenger in a fully licensed, passenger-carrying aircraft.*
- ◆ *Participating in any sport or sporting activity for wage, compensation, or profit, including officiating or coaching, or racing any type vehicle in an organized event.*
- ◆ *Becoming totally disabled due to any of the following: bipolar affective disorder (manic depressive syndrome), delusional (paranoid) disorders, psychotic disorders, somatoform disorders (psychosomatic illness), eating disorders, schizophrenia, anxiety disorders, depression, stress, or post-partum depression. (This policy will pay, however, for covered disabilities resulting from Alzheimer's disease, or similar forms of senility or senile dementia, first manifested while coverage is in force.)*
- ◆ *Donating an organ within the first 12 months of the effective date of this policy.*

Benefits will be paid for only one disability at a time even if the disability is caused by more than one sickness, more than one injury, or a sickness and an injury.

You have life insurance, home insurance, and automobile insurance. But is your *income* insured?

Statistics show you are much more likely to be injured in an accident than to die from one.

A fatal injury occurs every five minutes, and a disabling injury occurs every 1.5 seconds.¹

There is a death caused by a motor vehicle crash every 12 minutes;
there is a disabling injury every 14 seconds.¹

In the home, there is a fatal injury every 18 minutes and a disabling injury every four seconds.¹

While many people survive accidental injuries, many others live with serious illnesses.

In the United States, men have a little less than a 1-in-2 lifetime risk of developing cancer; for women the risk is a little more than 1-in-3. The five-year relative survival rate for all cancers combined is 62%.²

One in five males and females has some form of cardiovascular disease.

High blood pressure is the most common form of cardiovascular disease.³

In 2002, more than 30 million Americans were living with chronic lung diseases,
such as asthma, emphysema, and chronic bronchitis.⁴

Nearly one-third of all Americans will suffer a serious disability between ages 35 and 65.⁵

Advances in medicine are allowing us to live longer.

Many illnesses and injuries that were once considered life-threatening are now treatable.

However, recovery from a serious illness or injury often requires time away from work.

AFLAC's Personal Disability Income Protector can help give you peace of mind.

Disability benefits provide a source of income while you concentrate on getting better.

¹ National Safety Council, *Report on Injuries in America*, 2001

² American Cancer Society, *Cancer Facts & Figures* 2002

³ American Heart Association, *2002 Heart and Stroke Statistical Update*

⁴ American Lung Association Web site, August 16, 2002

⁵ American Council of Life Insurers, *Life Insurers Fact Book* 2001



Without it, no insurance is complete.

AFLAC, the insurance industry leader in cafeteria plan services,* is ...



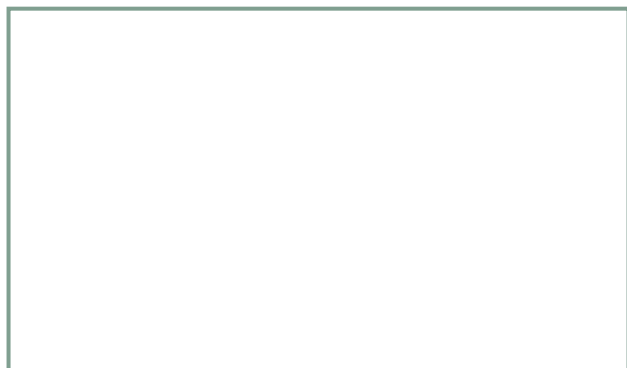
- A Fortune 500 company with assets exceeding \$40 billion, insuring more than 40 million people worldwide.
- Rated “AA” in insurer financial strength by Standard & Poor’s (December 2000), “Aa2 (Excellent)” in insurer financial strength by Moody’s Investors Service (July 2002), “A+ (Superior)” by A.M. Best (July 2001), and “AA” in insurer financial strength by Fitch, Inc. (November 2001).**
- A world leader in guaranteed-renewable insurance with more than 200,000 national payroll accounts.
- Number one in guaranteed-renewable accident and cancer insurance sales.
- Outstanding in claimant recommendations as validated by an Opinion Research Corporation poll indicating that 9 out of 10 claimants agree that AFLAC paid their claims fairly and promptly, and they would recommend the purchase of cancer insurance to others (July 2001).
- Uncompromising in fast, efficient service. Our toll-free line puts you in touch with a decision-maker immediately.
- Named by *Fortune* magazine to its list of “The 100 Best Companies to Work for in America” for the fourth consecutive year in January 2002.

** Employers Council on Flexible Compensation (ECFC), 3/00*

*** Ratings refer only to the overall financial status of AFLAC and are not recommendations of specific policy provisions, rates, or practices.*

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